

Export Enforcement

- Attacking the Network



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Washington Field Office



Export Enforcement

...task is to prevent the export of U.S. goods and technology that may be used by rogue states or terrorists to make chemical, biological or nuclear weapons



OEE Priorities

- WMD Proliferation
- Terrorism/Terrorist Support
- Unauthorized Military/Govt Use



Export Enforcement Field Offices

- Nine Offices nationwide
- Staff...
 - Federal Agents who are criminal investigators empowered to make arrests, carry firearms, execute search warrants, and seize goods about to be exported illegally.**
- Work closely with FBI, CBP, ICE, and other LE agencies





Why do we need export controls?



Improvised Explosive Devices

Three major components:

- **Trigger system**
- **Initiator (fuse)**
- **Explosive**

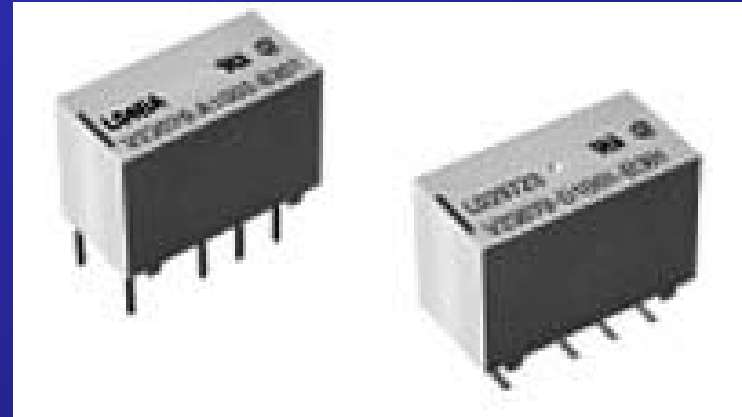




Improvised Explosive Devices

Trigger Devices

- P2 V23079 Telecom Relay
- Used in office equipment and consumer electronics
- Produced in Pennsylvania





Improvised Explosive Devices

Trigger Devices

- PIC16F84A
- 18-pin Enhanced FLASH/EEPROM
- 8-bit Microcontroller
- Unlimited civil uses
- Produced in Arizona





Mayrow Case Indictment

UNITED STATES DISTRICT COURT

Grand Jury

INDICTMENT

“On or about January 14, 2004, Defendant Majidco ordered through the Amsterdam, Netherlands office of a Chandler, Arizona, company, 7500 Microchip brand microcontrollers (PIC16F84A-04I/P), which have applications in and have been found in IEDs in Iraq”



IED Investigation Results

- **Executed over 100 search warrants**
 - **Analyzed more than 500,000 email messages**
- **39 companies and individuals indicted**
- **Three US citizens and one British citizen have been convicted**
- **One US citizen in custody pending trial**
- **One German citizen pending extradition**

Top Cape Technologies Cape Town South Africa

Owner: Asher Karni, (b 1954)

- Israeli citizen -- MBA from Tel Aviv Univ
- Major in the Israeli military ('71 to '85)
- Emigrated to South Africa to work for a Jewish charity
- Lived on Ocean View Drive, Cape Town SA in exclusive "Millionaires' Row"



Pakland PME Corporation

Islamabad, Pakistan

Owner: Humayun Khan



- Supplies Pakistan's conventional and nuclear weapons programs
- Connected to Al Jammu and Kashmir Muslim Conference: Pakistani opposition party that supports extremist fighters in Kashmir, a disputed territory between Pakistan and India

The Commodity

Triggered Spark Gap

- ECCN 3A228
- South Africa
Q - Is License Required?
- Pakistan
Q - Is License Required?
- \$447 a piece



Civil Use – Spark Gaps

- High speed electrical switches capable of sending synchronized electronic pulses
- Can be used in the medical field as part of lithotripter machines to break up kidney stones



WMD Use – Spark Gaps

Can be used as part of a triggering system for detonating a nuclear device

SPARK GAPS



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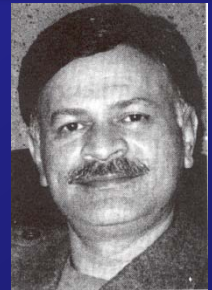
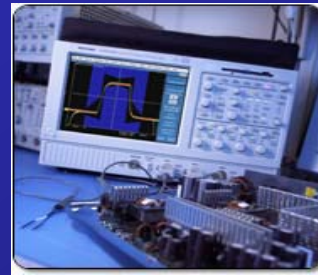
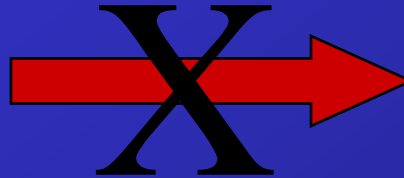
The Crime...



Players: Asher Karni and Humayun Khan

Crime: Conspired to ship 200 nuclear trigger devices to nuclear end users in Pakistan

The Diversion Scheme...



The rest of the story...

Asher Karni

- Arrested...Jan 04
- Guilty Plea...Aug 04
- Sentenced 3 years Fed Prison...
 - Released Jan 07
 - Old Sentencing Guidelines
- “I felt shock and horror...how such a devout Jew could be supplying nuclear triggers for the nuclear weapons of a staunch Islamic country.”
 - Michael Bagraim, Chairman of the South African Jewish Board of Deputies



ASHER KARNI
Inmate # 32338-016



**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

**Grand Jury
INDICTMENT**

UNITED STATES OF AMERICA

v.

HUMAYUN A. KHAN, Defendant



VIOLATIONS:

18 U.S.C. § 371 (Conspiracy)

50 U.S.C. (Export Admin Act)



Go on the Offensive...

Detect, Deny, Disrupt terrorist & rogue state procurement activities

- **Investigative Tools**
- **Regulatory Tools**

**Prosecute bad actors both
at home and abroad**



Detect...using all sources

Criminal Investigators working Informants

- **Intel Community**
- **Industry Tip-Offs**
- **Hot-Line calls...fired employees, mistresses**

Criminal Investigative Tools

- **Search Warrants**
- **Administrative Subpoenas**
- **Overseas visits**



Deny...using enforcement tools

Regulatory Controls...No Court Order Required

- **Redelivery Orders**

Direct both US and Foreign shippers (land, sea, air) to locate and return shipments to OEE Agents

- **Export Enforcement Agents can detain any outgoing shipment suspected of being illegal**



Disrupt...using criminal and civil penalties

Criminal Investigations - Every case

Criminal Sanctions

- Criminal fines up to \$1,000,000 per shipment**
- Jail time up to 20 years**

Civil Sanctions

- Civil fines up to \$250,000 per shipment or...
twice the amount of the transaction**
- Denial of export privileges**



Proliferation Shopping List

- **System Controllers**
- **IC microcontrollers**
- **Model plane/car remote controls**
- **UAV Autopilots**
- **Exploding Foil Initiators**
- **Blue Chip Detonators**
- **Spark Gaps**
- **EMP shock generator**



Report Suspicious Transactions

Washington Field Office – 703.487.9300

24 Hour Hot Line - 800.424.2980

www.bis.doc.gov

